

**STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT**

TO: Brett Edward Lovett
State DPS Legal Aid Information
Trust Capital Holdings
5035 7th Street
Carpinteria, California 93013

DESIST AND REFRAIN ORDER

(For violations of section 25401 of the Corporations Code)

The Commissioner of Business Oversight (Commissioner) finds that:

1. At all relevant times, Brett Edward Lovett (Lovett) was a California resident doing business as State DPS Legal Aid Information (LAI) and Trust Capital Holdings (Trust Capital) with offices purportedly located at 5035 7th Street, Carpinteria, California 93013. Lovett filed a fictitious business name registration in Santa Barbara County, California for Trust Capital.

2. Beginning in or about May 2011, Lovett offered or sold securities in the State of California in the form of promissory notes in LAI in the amount of \$25,000 or more to at least one investor.

3. Beginning in or about March 2012, Lovett sold securities in the State of California in the form of promissory notes in Trust Capital in the amount of \$105,000 or more to at least one investor.

4. The purported purpose of the LAI promissory notes was to raise operating capital to fund a lead generator for legal services. The business was to accept telephone calls and obtain contact information from persons seeking referrals to free legal services providers in California and both sell the lists or directly refer persons seeking advice on landlord-tenant matters to landlord-tenant attorneys. These referral fees were to provide the revenue necessary to repay the note.

5. The purported purpose of the Trust Capital promissory notes was to raise capital to take advantage of an investment opportunity presented to Lovett in a hotel being constructed in the United States by Indian business interests.

6. In connection with the offer and sale of these securities, Lovett, State DPS Legal Aid Information and Trust Capital Holdings made, or caused to be made, misrepresentations of material fact or omitted to state material facts necessary in order to make the statements made, in the light of

the circumstances under which they were made, not misleading. These misrepresentations and omissions included, but are not limited to, the following:

a. Lovett had not been “cleared” of a court order entered against him on November 20, 2007 by a federal court in a lawsuit brought by the U.S. Commodity Futures Trading Commission (CFTC) despite the order requiring Lovett never take any action denying the findings or conclusions contained in the order or do anything that created or tended to create the impression that the order was without a factual basis, excepting testimonial obligations and legal positions in other proceedings to which the CFTC was not a party;

b. Lovett was still subject to a permanent injunction that, among other things, found that he willfully violated the Commodity Exchange Act by:

i. making misrepresentations of material fact in the solicitation of at least four individuals affiliated with his religion in investments in commodity futures;

ii. misappropriating \$495,000 in investor funds from at least four different individuals; and,

iii. making false reports or statements about the status of investor funds to at least two customers;

c. Lovett was permanently enjoined from defrauding others in connection with the sale of commodity futures and that he was permanently enjoined from engaging in any activity related to trading in any commodity;

d. Lovett was required to pay \$315,943 plus post-judgment interest to investors he defrauded in connection with the sale of commodity futures;

e. Lovett was required to pay \$320,000 plus post-judgment interest as a civil monetary penalty in connection with defrauding investors in the sale of commodity futures;

f. LAI and Trust Capital investor funds would be used for Lovett’s personal expenses; and,

g. LAI and Trust Capital investors would not receive back all of their principal plus promised interest.

1 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
2 by Brett Edward Lovett, doing business as State DPS Legal Aid Information and Trust Capital
3 Holdings, were offered in this state by means of written or oral communications that included untrue
4 statements of material fact or omitted to state material facts necessary in order to make the statements
5 made, in the light of the circumstances under which they were made, not misleading, in violation of
6 Corporations Code section 25401.

7 Pursuant to Corporations Code section 25532, Brett Edward Lovett, doing business as State
8 DPS Legal Aid Information and Trust Capital Holdings, is hereby ordered to desist and refrain from
9 offering or selling any security in the State of California, including, but not limited to, promissory
10 notes, by means of any written or oral communication which includes an untrue statement of a
11 material fact or omits to state a material fact necessary in order to make the statements made, in the
12 light of the circumstances under which they were made, not misleading.

13 This Order is necessary, in the public interest, for the protection of investors and consistent
14 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

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16 Dated: March 23, 2018
17 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

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19 By _____
20 MARY ANN SMITH
21 Deputy Commissioner
22 Enforcement Division
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